

**LINCOLNSHIRE POLICE AUTHORITY
FINANCE & PERFORMANCE COMMITTEE
9TH FEBRUARY 2010**

SUBJECT		REVENUE BUDGET MONITORING 2009/10	
REPORT BY	CHIEF CONSTABLE		
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SUMMARY AND PURPOSE OF REPORT			
To provide an update on the Budget for 2009/10, looking at the current year income and expenditure and the implications for the year-end outturn.			
RECOMMENDATION	<i>That the report be noted.</i>		

A. SUPPORTING INFORMATION

1. INTRODUCTION

- 1.1 At its meeting on 18th December 2009, the Committee adopted a revised budget for 2009/10, which provided a benchmark for monitoring to the end of the financial year. This report now provides an update based on the actual spend position at the end of December 2009. Given the relatively short time between monitors this is a brief report highlighting only material matters.
- 1.2 Total spend to date across the Force is £63.8 million or 73.1% of the available budget. A summary of the budget, spend and forecast, analysed by type of spend is given in Appendix 1a and by main functional area in Appendix 1b.
- 1.3 The schedules include the decision made at the December meeting to transfer £80k to the time limited posts reserve in order to provide for the extension of specific posts in Public Protection.

2 KEY AREAS

Police Officers

- 2.1 The overall position on the police Officer establishment that numbers are currently below establishment this will continue until the new recruitments are appointed in February. Overall it is anticipated that a small overspend will occur at the year end of £103k after allowing for current average costs together with recruitment and leaver profiles.
- 2.2 An analysis of monthly pay costs shows that this area of the budget is subject to significant variations in monthly spend as adjustments to basic salary for absence, allowances or corrections to previous months pay continue to affect the underlying trends.

- 2.3 The number of ill health retirements is still on target at 23 the level set at the time of the revised budget, given the cost per individual is in excess of £70k this can have a significant impact on the overall outturn and will be closely monitored to the year end.

Police Staff

- 2.4 The level of Police Staff vacancies continues to exceed the level expected, this has resulted in a reduction in the year end expenditure forecast. It is now anticipated that a further small underspend will occur on this area of the budget of £130k.

Running Costs

- 2.5 The overall non-pay related devolved budget is demonstrating little overall variance. Budget managers have identified some increased costs in Supplies and Services which are offset by a recovery costs principally with regard to the LCJB. Elsewhere on Transport costs, increased Fleet running costs are offset by other savings in the devolved budget. Managers will continue to closely monitor spend to the year end against the revised budget target set at the December meeting.

Major Incidents

- 2.6 Spend in the period up to the end of December totalled £829k of this £320k was provided for at the 2008/09 year end. Spend has increased over the last two months and this is expected to continue into the new calendar year. The total budget for 2009/10 is £1,456k leaving a balance of £947k or 65% available to the year end.

3. Time Limited Reserves

- 3.1 The current position on the Business Change Reserve and Fixed Term Posts reserve is shown in Appendix 2 and these have been reflected in the summaries at Appendix 1. These schedules show the updated end dates and anticipated costs of the posts following the December meeting.
- 3.2 These funds were established by the transfer of the following amounts through the revenue account.

	Total Funding £'000	Spend to Date £'000	Committed £'000	Balance Available £'000
Business Change Reserve				
Sustainable Funding Project	500.0			
Home Office Grant	500.0			
Community Safety Reserve	91.0			
Transfer re FME Contract	169.0			
Sub Total	1,260.0	498.1	515.1	246.8
Time Limited Posts Reserve				
2008/09 Revenue Budget	700.0			
2009/10 Original Revenue Budget	935.0			
Protective Services Home Office Grant	125.0			
Revised Budget 2009/10	80.0			
Transfer re FME Contract	(169)			
Sub Total	1,671.0	545.2	1,131.9	(6.1)
Total	2,931.0	1,043.3	1647.0	240.7

- 3.3 The Revenue budget during the year simply shows the transactions relating to the payments in and out of the funds. At the end of the financial year the accounts will be prepared to show the effect of these movements on the reserves through the revenue account.

B. FINANCIAL CONSIDERATIONS

These have been included within the paper.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The report forms part of the monitoring and control of the Police Fund for which the Authority is responsible under section 14 of the Police Act 1996.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

There are no direct personnel, equal opportunities or diversity issues arising from this report.

E. RISK MANAGEMENT

The major risks associated with forecasting the level of Force spend are in terms of:

- The occurrence of unknown Major Incidents.
- Variances in spend that are not possible to currently identify.

These are mitigated by the budget monitoring processes that are in place to manage spending to the year-end in a controlled manner and the existence of specific reserves set up for the purpose of providing resilience against unknown events.

F. REVIEW ARRANGEMENTS

The revenue budget will continue to be monitored by the Force for the remainder of the financial year prior to an outturn report being presented to a later meeting of this Committee.

G. LIST OF BACKGROUND PAPERS

Date	Description	File
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